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AZ CORP COMMISSION

1 Attorney For **Sulphur Springs Valley Electric**
2 **Cooperative, inc.**

3 **CHRISTOPHER HITCHCOCK**
4 **STATE BAR NO. 004523**

BEFORE THE ARIZONA CORPORATION COMMISSION

5 **JIM IRVIN**

Commissioner - Chairman

6 **RENZ D. JENNINGS**

Commissioner

7 **CARL J. KUNASEK**

Commissioner

DOCKETED

FEB 13 1998

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9 IN THE MATTER OF SULPHUR SPRINGS)
10 VALLEY ELECTRIC COOPERATIVE, INC'S)
11 UNBUNDLED AND STANDARD OFFER)
12 RATES PURSUANT TO A.A.C. R14-2-1606.)

DOCKET NO. E-01703A-97-0700

NOTICE OF FILING

13 Pursuant to A.A.C. R14-2-1606, Sulphur Springs Valley Electric Cooperative, Inc.
14 ("SSVEC") hereby files with the Arizona Corporation Commission ("Commission") its
15 anticipated Unbundled Service Rates and its Standard Offer Rates..

16 **UNBUNDLED SERVICE TARIFFS**

17
18 Attached hereto as Exhibit A are the unbundled rates proposed by SSVEC
19 concerning (1) Distribution Services; (2) Meter and meter reading services; and, (3) Billing
20 and collection services. The Customer Information and Service Charge will be filed once
21 the requirement for same are more explicitly defined by the Commission. At the present
22 time, no separate system benefit charge tariff is filed. Those matters will be covered by the
23 Basic System Charge. Those matters will be separated out in SSVEC's next full rate filing.
24 SSVEC reserves the right to make changes to the unbundled rates to and including the date
25 upon which retail competition occurs.
26

As to service terms and conditions, SSVEC continues to work on these matters.

Several issues have been identified, including but not limited to (1) the need for a minimum service commitment and/or a fee to cover costs associated with customers who move between unbundled and standard offer rates, (2) specification of a maximum number of service information requests before an additional charge is incurred, (3) specification of additional metering costs for customers with non-standard metering needs or requirements, (4) specification of criteria for release of customer information and (5) re-examination of line extension policies concerning whether refinements are necessary for different service levels. SSVEC will propose tariff language concerning these and other service terms and conditions prior to the introduction of retail competition.

STANDARD OFFER TARIFF

Pursuant to A.A.C. R14-2-1606.B.1, SSVEC, as its Standard Offer Tariffs, adopts its rates and charges that are in existence as of December 31, 1997.

RESPECTFULLY SUBMITTED this 12th day of February, 1998.

HITCHCOCK, HICKS & CONLOGUE

BY 

CHRISTOPHER HITCHCOCK

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ORIGINAL and ten (10) copies of
the foregoing filed this 12th
day of February, 1998, with:

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Copy of the foregoing mailed this
12th day of February, 1998, to:

Jerry L. Rudibaugh, Chief Hearing Officer
Hearing Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

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Legal Division
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Greg Patterson, Director
Residential Utility Consumer Office
2828 N. Central Ave., Suite 1200
Phoenix, Arizona 85004

Donna Pulling
Donna Pulling, Secretary

EXHIBIT "A"

COST OF SERVICE STUDY

UNBUNDLED TARIFF FILING

In order to comply with the Arizona Corporation Commission's (ACC) Electric Competition Rules (Rules), Sulphur Springs Valley Electric Cooperative, Inc. (SSVEC) and the other Arizona rural electric utilities, through a cooperative effort of the Grand Canyon State Electric Cooperative Association and the National Rural Utilities Cooperative Finance Corporation (CFC), developed a common cost of service model. The goal of the effort was to develop a common methodology for identifying unbundled service costs and to develop the resulting tariff to be filed in accordance with the Rules. The model is based on certain common methodologies but is modified as necessary to meet the requirements of each cooperative and recognize the differences that exist due to the characteristics of each cooperative and their respective service territories

The electric utility industry is undergoing fundamental changes. Electric service has traditionally been provided on a monopolistic basis with little opportunity for customer choice. The ACC rules require that utilities develop unbundled rates that will segregate the cost elements of providing service into discrete components including:

- Distribution Service
- Metering and Meter Reading Services
- Billing and Collecting Services
- Information Services, e.g. providing customer information to other Electric Service Providers
- Open Access Transmission Service
- Ancillary Services

The first four items are those that would directly affect SSVEC while the Open Access Transmission and Ancillary Services are those that would be provided by power suppliers such as AEPCO. The rules also indicate that the current electric tariffs would be considered "Standard Offer" tariffs unless revisions are filed for approval. In order to assist Arizona's cooperatives in preparing the required filings, CFC developed a cost of service model that develops the allocated embedded cost of service for each of the services listed above.

The following provides a description of the methodologies used in the CFC model :

Revenue Requirements

Revenues generated by SSVEC's rates must be adequate to cover all costs of providing service including operations, maintenance, administration, depreciation, system

improvements and replacements. Revenues must also be adequate to provide a return on equity and to meet mortgage covenants regarding times interest earned ratio (TIER) and debt service coverage (DSC). The preliminary study has been designed so that net revenues match what was recovered by current rates in the test year. No changes in overall revenues have been included in the analysis.

Cost of Service Analysis

The cost of service analysis was performed using calendar 1996 as the test year. Because in the competitive market place, SSVEC will be a "Wireco" service provider, the cost of service study was designed to focus on the distribution and customer related costs. However, power supply costs can not be ignored. Under the historical rate making model, SSVEC charges customers based on a fully bundled tariff with power purchases included in the rates. To compare current rate designs with the unbundled rate designs, it was necessary to identify the power supply components included in the current rates. Therefore, the first step in the study was to allocate the test year power supply for each rate class and deduct that cost from the revenues collected from each customer classification. Next, the remaining costs were allocated to each customer class. The study was developed by examining the investment required to serve each customer class and then allocating the costs, such as operations and maintenance costs, related to that investment to each class of service. The cost of service study model was developed using the minimum system concept. This concept recognizes that there are minimum system costs that would be incurred if, for example, every customer had only one light bulb. The SSVEC distribution system would still require poles, wires, transformers etc. The CFC model recovers those costs through a customer charge. The investment in distribution facilities in excess of this "minimum system" are capacity related costs. Certain costs such as metering and billing costs were assigned on a customer basis. In this study, approximately 55% of SSVEC's investment and corresponding costs are incurred due to customer based causes. The balance is allocated based on required capacity.

Rate Design

SSVEC's current rate designs (i.e. the rates that will become the standard offer unless modified) collect revenues through three components. For rates without demand charges, the revenue is collected through a customer or service availability charge that partially recovers fixed costs of providing service, and energy charges. Historically, regulators have deemed it desirable to keep the customer charge component low. Therefore, most of the cost recovery has been through the variable component or energy charge. This rate design results in some intraclass subsidies in that users with low consumption may not be paying their fair share of fixed costs. For large commercial and industrial users, the existing rate structure includes a demand charge that is design

to recover capacity costs including the capacity component of wholesale power expenses.

The CFC cost of service model develops several alternative rate designs for consideration. In each case, the metering, billing and customer charges are collected through monthly customer charges. The CFC model also develops a monthly charge to recover the "minimum system" distribution costs. The CFC model provides alternative methods for recovery of the capacity component. For customers with demand meters, the costs can be recovered through demand charges. For customers without demand meters, the costs can be recovered through energy charges, an additional fixed fee or an "access charge" or through a charge based on required transformer capacity.

There are several alternative rate designs that can be considered for the unbundled tariff. Each format has certain advantages and disadvantages. For example, charging a fee for customer "access availability" has the advantage of providing very stable revenues. However, it is a radical change from current methods and may encounter customer or regulatory resistance. The attached unbundled rate schedules recover some costs through the fixed or customer charge and some "fixed" costs will be recovered through energy charges. This format was adopted to prevent radical changes from the current rate design. While this design is technically not "correct", it would tend to lessen the impact to customers as the competitive market is instituted.

Standard Offer Tariff - As noted above, the ACC rules have been developed so that, absent a new filing, the existing tariff becomes the standard offer. While this is administratively convenient, it fails to recognize that the existing tariff may not recover costs correctly. For example, for most utilities, residential rates do not fully recover costs of service. There are cross class subsidies in today's rates and often commercial consumers pay more than their allocated costs. If commercial customers take advantage of the competitive marketplace, the revenue that has been available to subsidize residential or other users will no longer be available. Therefore, utilities may find that revenue requirements may not be met. This concern was discussed during ACC workshops and the issue has not been resolved. SSVEC intends to use the current tariff as the standard offer but may revise the standard offer at a later date.

Other fees and schedules

With the unbundling of services and customer choice, SSVEC will need to develop fee schedules for services it does not currently provide. This includes services such as reading meters for others, installing more sophisticated metering, paperwork charges etc. While the ACC has not yet developed its final rules, it is likely that a complex set of fees, such as those being charged in California, will be implemented. In its current rule, the ACC does require utilities to file a rate for providing information to other energy suppliers. This information would include bill histories for customers and related data.

The cost of service study does not address these types of costs. Therefore, a charge must be established based on estimated staff time and expenses related to responding to requests. An initial fee of \$25 per request is proposed.

Sulphur Springs Valley Electric Cooperative, Inc.
P. O. Box 820
Willcox, Arizona 85644

SCHEDULE CP-DA

Applicability: For members selected to participate in a competitive environment beginning on January 1, 1999.

Effective: January 1, 1999

Contract Power Service - Direct Access

Availability

Contract Power Service is available to consumers within the Cooperative's service area, who require more than 500 kVA of service on a twelve (12) month, nonseasonal basis, in accordance with terms and conditions negotiated with the consumer. Contracts are subject to approval by the Arizona Corporation Commission, the administrator of Rural Utilities Services and the National Rural Utilities Cooperative Finance Corporation. Contracts shall be written in accordance with the Cooperative's general rules, terms and conditions. This schedule is available to consumers who opt to purchase energy services from entities other than SSVEC.

Applicability

This schedule is applicable for all consumers requiring in excess of 500 kVA nonseasonal electric service. Individual contracts shall include facilities charges as required, demand charges as determined by the consumer's monthly load factor and power factor, energy charge, margin, wholesale power adjustment, and applicable taxes and governmental assessments. Other billing features such as time of use charges may be negotiated.

Character of Service

The type of secondary service available under this schedule will, at the Cooperative's option, be normally as follow:

120/240 Volts, Single Phase, 3 Wire
240/480 Volts, Single Phase, 3 Wire
120/240 Volts, Three Phase, 4 Wire, *
240/480 Volts, Three Phase, 4 Wire, *
120/208 Volts, Three Phase, 4 Wire, Y
277/480 Volts, Three Phase, 4 Wire, Y

- * Not available to consumers served from underground primary systems, except where open Delta transformer connection is used at the option of the Cooperative.

All service is to be supplied through a single set of service wires. Any special transformers required for lighting shall be furnished by the consumer. The primary voltage required for service will be determined by the Cooperative taking into consideration consumer's capacity requirements.

Rate CP-DA

Charges shall be established and identified in contracts with each consumer.

Sulphur Springs Valley Electric Cooperative, Inc.
P. O. Box 820
Willcox, Arizona 85644

SCHEDULE GS-DA

Applicability: For members selected to participate in a competitive environment beginning on January 1, 1999.

Effective: January 1, 1999

General Service & Small Power - Single & 3-Phase Service - Direct Access

Availability

Available to all consumers who will be purchasing power resources from an entity other than SSVEC, who require less than 50 kVA transformer capacity and located along the existing electric distribution system of the Cooperative for single and/or 3-phase service for commercial lighting, small power, other commercial or business uses, farm use, water pumps such as individually metered domestic and stock wells, and all public buildings. This rate schedule is an optional schedule for irrigation and commercial water service for all pumps requiring less than 50 kVA of transformer capacity. Single phase motors will be limited to 10 HP and of a type which will not cause excessive voltage fluctuations. This rate shall apply to all residential service requiring 3-phase service.

Applicability

This schedule is applicable for commercial use which includes service used by retail or wholesale business, small manufacturing or processing establishments, tourist or trailer camps, motels, stores, restaurants, service stations, professional offices, public buildings, churches, seasonal farm uses such as feed grinders, etc., optional for smaller pumps used for irrigation purposes, domestic and stock wells, sewage pump stations, apartments, where more than one unit is served from an individual meter, and all other uses, including normal residential or home use, under conditions provided in the preceding paragraph. Except in cases of master metered mobile home parks, service under this schedule shall not be resold or shared with others.

Character of Service

The type of service available under this schedule will be normally applied through a single set of service wires.

120/240 Volts, Single Phase, 3 Wire
 240/480 Volts, Single Phase, 3 Wire
 120/208 Volts, Single Phase, 3 Wire (Network)
 120/240 Volts, Three Phase, 4 Wire, *
 240/480 Volts, Three Phase, 4 Wire, *
 120/208 Volts, Three Phase, 4 Wire, Y
 277/480 Volts, Three Phase, 4 Wire, Y

* Not available to consumers served from underground primary systems, except where open Delta transformer connection is used at the option of the Cooperative.

Where service is furnished through more than a single set of service wires or where consumer's service entrance switches are at different locations, a separate bill will be rendered for each different meter location.

Net Maximum Rate Per Month or Part Thereof for Each Service

Basic System Charge	\$ 20.28	per month
Metering	1.86	per month
Meter Reading	2.47	per month
Billing	2.61	per month
Customer Information and Services*	0.00	per month
Distribution Capacity	0.0016	per kWh
Transmission Capacity	0.00003	per kWh
System Benefits Charge*	0.00	per kWh

*The Customer Information and Services Charge will be filed once the requirements are defined by the ACC. The System Benefits Charge is currently included in the Basic System Charge, as previously approved by the ACC, and will be separated in the next full rate filing.

Monthly Minimum Charge

The monthly minimum charge for any period that service is established shall apply for a period of not less than four consecutive months where only single phase service is supplied and for not less than six consecutive months (or longer as may be specified in Cooperative's service agreement) where 3-phase service is supplied. The monthly minimum charge may, at option of Cooperative, be determined on a separately metered basis for both single and 3-phase service but shall in no event be less than the highest minimum charge when computed or determined by any of the following methods.

- (a) For single phase service: Where demand metering equipment is not installed, the minimum charge shall be the sum of the above charges for the first 10 kVA of installed transformer capacity plus \$1.50 for each kVA of transformer capacity in excess of 10 kVA.

- (b) For 3-phase service: the sum of the above charges plus \$1.50 per kVA of transformer capacity installed or where demand metering equipment is installed, the minimum charge shall be the ratcheted kW of billing capacity as determined below but not less than \$23.50 nor less than the minimum charge specified in consumer's service application or contract.
- (c) For combined single and 3-phase service: The sum of the minimum charged as determined under (a) and (b) above but not less than \$23.50. To determine the minimum charge, the Cooperative reserves the right to meter the 3-phase service separately from the single phase service. In such event the total minimum charge will be the rate billing for single phase service or its applicable minimum charge (whichever is highest) PLUS the applicable 3-phase minimum charge.
- (d) Special installations: Where installations are of unusual character as to electric usage requirements and/or investments, the monthly minimum charge will be determined by the Cooperative and set forth in the service application or contract with consumer.

Determination of kW Billing Demand

The consumer's demand shall be determined by Cooperative estimate. Whenever customer's consumption exceeds 3,000 kWh per month for two consecutive months or it is expected that the demand will regularly exceed 10 kW, the demand shall be measured by a demand meter, except where service is to a single motor, such as a pump, and where the demand is expected to be stable, the Cooperative shall estimate kW based upon appropriately installed horsepower; or at its option use of demand metering, or periodic test with appropriate metering.

The kW billing demand shall be the highest 15 minutes integrated or equivalent thermal kW demand determined to the nearest kW by means of suitable metering equipment or estimate but not less than 80% of highest kW demand so determined during the preceding 11 months or not less than the minimum billing demand specified in consumer's service application or contact. Where separate meters are installed for single and 3-phase service, the billing capacity shall be the arithmetical sum of the maximum capacities recorded on each meter.

Whenever the power factor at time of maximum capacity is less than 90%, the billing capacity may be determined on the basis of kVA capacity instead of kW capacity.

Tax and Assessment Clause

Billing under this schedule will be increased by an amount equal to the sum of all Federal, State, County, Municipal and other governmental levies, gross receipts, license fees and other

impositions of similar character assessed on the basis of gross revenue of the Cooperative and/or the revenue from the electricity or services sold and/or the kilowatt hours of electricity generated or purchased for sale and/or sold hereunder. In case an increase in rates of existing taxes of this character or additional new taxes, licenses or fees based upon generation, distribution, purchase and/or sale of electric power current or energy, shall be imposed upon or required to be paid by the Cooperative, the rates herein may be increased by a surcharge equal to the amount of the cost per kWh, or per consumer, or per demand, capacity, or other applicable unit of charge for such new or additional taxes, licenses or fees.

Meter Reading

All meter readings and billings shall be based on actual meter readings. Meter readings and billings will be made as closely as practical on the same day of each month on a cycle basis. Meter readings shall be scheduled for periods of not less than 25 days nor more than 35 days.

Terms of Payment

Billing made under this rate schedule will be due and payable upon receipt and past due ten (10) days from the date the bill is mailed. Service will be subject to disconnect accordance with the Cooperative's collection policy.

Other Provisions

- (1) All service shall be delivered through a single set of service wires at a single service location to be designated by the Cooperative.
- (2) Normally only single phase service is available by the Cooperative and all motors shall be for single phase operation. Service will not be furnished where individual single phase motors in excess of 10 HP are installed except where written permission is granted by the Cooperative.
- (3) The Cooperative furnishes 3-phase service (normally where motors larger than 10 HP are required) only where such service is already available immediately adjacent to service after giving consideration to the investment required and probable use of 3-phase service by the consumer.
- (4) See Cooperative's general rules, terms and conditions for further details pertaining to availability of special 3-phase service for intermittent loads such as X-rays, welders, etc.
- (5) For each service location, the Cooperative reserves the right to use either a single combination meter or separate single and 3-phase meters, in which event the kWh and capacity meter readings will be added arithmetically and single bill under the above rates will be rendered to the consumer.
- (6) The Cooperative reserves the right to meter consumer's requirements in the most practical manner, either primary or secondary voltage and the billing kWh shall be the metered kWh in either case.

(7) All 3-phase service shall be billed under this schedule or other applicable 3-phase schedules of the Cooperative.

(8) The Cooperative reserves the right to increase service availability charge, minimum period of service and/or to increase the minimum charge where an unusual investment is required as compared to the estimated or probable revenue to be received.

Rules and Regulations

Service charges, collection policy, standard rules and regulations of the Cooperative, as filed and approved from time to time, shall apply where not inconsistent with this rate schedule. Service availability charge and/or monthly minimum may be increased to prove economic feasibility for any service requiring new line construction in excess of Cooperative's established free distance.

Extended Billing Periods

Service connections or disconnections for all rates where only Service Availability and kWh are billed, performed within ten (10) days of the regular meter reading date for the consumer's billing cycle, shall establish extensions of the current billing period. However, when service is made available to the consumer for a period of more than ten (10) days before or after the regular meter reading date, a separate billing period shall be established with respect to all applicable charges. If the consumer changes service location under the same rate schedule, any energy use during an extended final billing period at the former address shall be added to energy use during the first billing period at the new address. For rates which provide for a demand charge, the established extensions of a billing period shall be fifteen (15) days.

Sulphur Springs Valley Electric Cooperative, Inc.
P. O. Box 820
Willcox, Arizona 85644

SCHEDULES I-S-DA, I-L-DA

Applicability: For members selected to participate in a competitive environment beginning on January 1, 1999.

Effective: January 1, 1999

Availability

Available to irrigation, commercial and municipal water systems throughout the Cooperative's service area where the facilities of the Cooperative are of adequate capacity and are adjacent to the premises. This schedule is applicable to consumers who may opt to purchase power resources from an entity other than SSVEC.

Applicability

To irrigation pumps and pumpback systems used only for irrigating land used for agricultural purpose and pumps used for commercial and municipal water systems, single phase motors will be limited to 10 HP and of a type which will not cause excessive voltage fluctuations. The Cooperative may limit the maximum horsepower rating of motors where such may cause interference to other consumers. Normally motors over 10 HP will be 3-phase. Subject to all terms and conditions contained in this rate schedule.

Type of Service

Service will be delivered through a single set of service wires and through one metering point.

120/240 Volts, Single Phase, 3 Wire
240/480 Volts, Single Phase, 3 Wire
120/240 Volts, Three Phase, 4 Wire, *
240/480 Volts, Three Phase, 4 Wire, *
277/480 Volts, Three Phase, 4 Wire, Y

- * Not available to consumers served from underground primary systems, except where open Delta transformer connection is used at the option of the Cooperative.

SCHEDULE I-S-DA

Irrigation Service - Direct Access

Schedule I-S (Summer) is the Cooperative's General Irrigation Schedule for all usage beginning with March-April usage (April's cycle billing) and ends with September-October usage (October's cycle billing). The following rate applies to all irrigation accounts during this period unless contracted for one of the following special irrigation services.

Maximum Rate I-S-DA (Summer Season)

Basic System Charge	\$ 81.95	per month
Metering	14.80	per month
Meter Reading	1.65	per month
Billing	13.41	per month
Customer Information and Services*	0	per month
Distribution Capacity	2.29	per kW
Transmission Capacity	0.04	per kW
Systems Benefit Charge*	0.00	per kWh

*The Customer Information and Services Charge will be filed once the requirements are defined by the ACC. The System Benefits Charge is currently included in the Basic System Charge, as previously approved by the ACC, and will be separated in the next full rate filing.

Determination of kVA Billing Capacity

The monthly kVA billing capacity shall be normally determined by measurement by taking the highest 15 minutes integrated or equivalent thermal kW capacity and dividing same by the power factor as determined by a ratcheted kVArh meter or by the power factor as may be determined by Cooperative by means of periodic tests made by suitable metering equipment. The monthly kVA billing capacity may also be determined by means of suitable kVA or equivalent capacity demand meters. All capacities shall be determined to the nearest kVA.

The monthly billing capacity shall be 100% of the kVA capacity as determined above.

KVA of billing capacity shall be established the first month of the contracted period based upon actual meter reading(s). The demand established during the first month shall be applicable for billing purposes for the duration of the irrigation season unless changes are made in the pumping facility which result in a higher kVA demand. The higher kVA demand would be used for the balance of the contract term.

Schedule I-L is an optional rate for Schedule I-S and is available only upon written agreement with individual consumers who are willing to guarantee minimum monthly load factor usage for a five (5) consecutive month pumping season. Multiple pumps may be combined in one contract and usage averaged for billing purposes under this rate schedule.

Minimum Charges

The minimum charge for each twelve (12) month period or less an irrigation service is connected shall be not less than \$300.00 or \$30.00 per kVA of consumer's highest monthly kVA billing demand, whichever is greater. Total billings made as normal service availability charge, demand charges or monthly minimums shall apply to this minimum charge. If service is disconnected prior to utilizing the established minimum, or if the minimum has not been used by the end of twelve (12) consecutive monthly billing cycles, whichever occurs first, the remaining amount due as minimum charges shall be due and payable. The monthly minimum billing shall be \$25.00 for single phase and three phase service.

Tax and Assessment Clause

Billing under this schedule will be increased by an amount equal to the sum of all Federal, State, County, Municipal and other governmental levies, gross receipts, license fees and other impositions of similar character assessed on the basis of gross revenue of the Cooperative and/or the revenue from the electricity or services sold and/or the kilowatt hours of electricity generated or purchased for sale and/or sold hereunder. In case an increase in rates of existing taxes of this character or additional new taxes, licenses or fees based upon generation, distribution, purchase and/or sale of electric power current or energy, shall be imposed upon or required to be paid by the Cooperative, the rates herein may be increased by a surcharge equal to the amount of the cost per kWh, or per consumer, or per demand, capacity, or other applicable unit of charge for such new or additional taxes, licenses or fees.

Power Factor Adjustment

The consumer agrees to maintain unity power factor as nearly as practical.

Meter Readings

All meter readings and billings shall be in units of 10 kWh with the right hand dial of the meter always reading as zero (0). Meter readings and billings will be made as closely as practical on the same day of each month on a cycle basis. Meter readings shall be scheduled for periods of not less than 25 days nor more than 35 days.

Terms of Payment

Billing made under this rate schedule will be due and payable ten (10) days from the date the bill is mailed and delinquent thereafter. Service will be subject to disconnection accordance with the Cooperative's collection policy.

Rules and Regulations

Service charges, collection policy, standard rules and regulations of the Cooperative, as filed and approved from time to time, shall apply where not inconsistent with this rate schedule.

Extended Billing Periods

Service connections or disconnections for all rates where only Service Availability and kWh are billed, performed within ten (10) days of the regular meter reading date for the consumer's billing cycle, shall establish extensions of the current billing period. However, when service is made available to the consumer for a period of more than ten (10) days before or after the regular meter reading date, a separate billing period shall be established with respect to all applicable charges. If the consumer changes service location under the same rate schedule, any energy use during an extended final billing period at the former address shall be added to energy use during the first billing period at the new address. For rates which provide for a demand charge, the established extensions of a billing period shall be fifteen (15) days.

Sulphur Springs Valley Electric Cooperative, Inc.
P. O. Box 820
Willcox, Arizona 85644

SCHEDULE P-DA

Applicability: For members selected to participate in a competitive environment beginning on January 1, 1999.

Effective: January 1, 1999

General Power Service - Direct Access

Availability

The Direct Access - General Power Service Rate is available to all consumers who may opt to purchase power resources from entities other than SSVEC, located along existing electric distribution lines of the Cooperative, who use the Cooperative's standard service for single or three phase service and who guarantee a monthly billing capacity as specified by the service application or contract of more than 50 kVA. Service under this schedule will be furnished only on a twelve (12) month, nonseasonal basis in accordance with the following stipulations and in accordance with the Cooperative's general rules, terms and conditions, available at the Cooperative's office, which general rules or subsequent revisions thereof are a part of the schedule as if fully written herein.

Applicability

This schedule is applicable for all of the consumers electric service requirements, single and three phase whenever three phase service is supplied by the Cooperative. Where only single phase service is supplied, this schedule is an optional schedule available to consumer upon his written request for periods of not less than twelve (12) consecutive months.

Character of Service

The type of secondary service available under this schedule will, at the Cooperative's option, be normally as follows:

120/240 Volts, Single Phase, 3 Wire
240/480 Volts, Single Phase, 3 Wire
120/240 Volts, Three Phase, 4 Wire, *
240/480 Volts, Three Phase, 4 Wire, *
120/208 Volts, Three Phase, 4 Wire, Y
277/480 Volts, Three Phase, 4 Wire, Y

- * Not available to consumers served from underground primary systems, except where open Delta transformer connection is used at the option of the Cooperative.

All service is to be supplied through a single set of service wires. Any special transformers required for lighting shall be furnished by the consumer. The primary voltage required for service will be determined by the Cooperative taking into consideration consumer's capacity requirements.

Net Maximum Rate Per Month Per Service

The monthly billing shall be the sum of the following charges:

Basic System Charge	\$ 81.75	per month
Metering	7.12	per month
Meter Reading	2.47	per month
Billing	7.82	per month
Customer Information and Services*	0.00	per month
Distribution Capacity	0.46	per kW
Transmission Capacity	0.01	per kW
Systems Benefits Charge*	0.00	per kWh

*The Customer Information and Services Charge will be filed once the requirements are defined by the ACC. The System Benefits Charge is currently included in the Basic System Charge, as previously approved by the ACC, and will be separated in the next full rate filing.

Determination of kVA Billing Capacity

The monthly kVA billing capacity shall be normally determined by measurement by taking the highest 15 minute integrated or equivalent thermal kW capacity and dividing same by the power factor as determined by a ratcheted kVAh meter or by the power factor as may be determined by the Cooperative by means of periodic tests made by suitable metering equipment. The monthly kVA billing capacity may also be determined by means of suitable kVA or equivalent capacity demand meters. All capacities shall be determined to the nearest kVA.

The monthly billing capacity shall be on the kVA capacity as determined above, but in no event shall the billing capacity be less than 50 kVA, nor less than 80% of the highest kVA capacity established during the previous eleven months, nor less than 60% of the installed substation capacity used to supply consumer's requirements, nor shall it be less than the minimum kVA billing capacity specified in consumer's service application or contract with the Cooperative.

Where highly fluctuating or intermittent loads (such as welding machines, electric furnaces, hoists, elevators, X-rays and the like) are in operation by the consumer, the Cooperative reserves the right to determine the billing demand by averaging consumer's total load over a two minute period or by increasing the fifteen minute measured maximum capacity by an amount equal to 50% of the rated kVA capacity determined from the name plate of the fluctuating equipment in operation by the consumer. Where such fluctuating loads require additional or separate transformers or additional system capacity, an additional separate capacity charge will be made based on a special study of the consumer's requirements.

Monthly Minimum Charge

The monthly minimum charge under this schedule shall be the sum of the above service availability, and capacity charges, but not less than the ratcheted kVA of billing capacity nor less than the minimum charge specified in consumer's service application or contract with the Cooperative.

Metering & Billing

For each service location, the Cooperative reserves the right to use either a single combination single and three phase meter or separate single and three phase meters, in which event the maximum demand and kWh readings will be added arithmetically and a single bill under the above rates will be rendered to the consumer.

The above rates are based upon metering at Cooperative's available primary voltage at the consumer's premises. The Cooperative reserves the right to meter consumer's requirements at secondary voltage, in which event the kW and kWh multiplied by a factor ranging from 1.02 through 1.10 to allow for transformation losses depending upon the consumer's transformer impedance data.

Terms of Payment

Billing made under this rate schedule will be due and payable upon receipt and past due ten (10) days from the date the bill is mailed. Service will be subject to disconnection accordance with the Cooperative's collection policy.

Meter Readings

Meter readings and billings will be made as closely as practical on the same day of each month. Meter readings shall be scheduled for periods of not less than 25 days nor more than 35 days.

Tax and Assessment Clause

Billing under this schedule will be increased by an amount equal to the sum of all Federal, State, County, Municipal and other governmental levies, gross receipts, license fees and other impositions of similar character assessed on the basis of gross revenue of the Cooperative and/or the revenue from the electricity or services sold and/or the kilowatt hours of electricity generated or purchased for sale and/or sold hereunder. In case an increase in rates of existing taxes of this character or additional new taxes, licenses or fees based upon generation, distribution, purchase and/or sale of electric power current or energy, shall be imposed upon or required to be paid by the Cooperative, the rates herein may be increased by a surcharge equal to the amount of the cost per kWh, or per consumer, or per demand, capacity, or other applicable unit of charge for such new or additional taxes, licenses or fees.

Furnishing of Service Transformer and Associated Equipment

Where individual or unusual substation installations are required to serve the consumer, the Cooperative reserves the right to require the consumer to make, at the consumer's expense, the necessary, complete installation (consisting of transformer, structure, protective devices,

etc.) required to provide adequate service to the consumer and in such event the consumer will own, operate and maintain said installation but will benefit by making a savings of \$1.50 per kVA of capacity as provided in the rate above.

Use of Service

Service shall not be resold by the consumer or shared with others.

Contract Provisions

Service will be rendered under this schedule, upon application by the consumer, for an initial contract period of not less than twelve months or longer depending upon the investment required to supply consumer's requirements, revenue to be received from consumer, and other considerations.

For temporary, seasonal, or unusual service or extension, reference is made to the Cooperative's general rules, terms and conditions covering same and in such cases the minimum charge condition, furnishing of substation equipment, connection and disconnection of service, financing of service facilities required, etc., will be covered by special agreement with consumer, and the consumer shall pay for all expenses involved in connection with the furnishing of any temporary service. Service will be rendered under Schedule SP (Seasonal Power).

Rules and Regulations

Service charges, collection policy, standard rules and regulations of the Cooperative, as filed and approved from time to time, shall apply where not inconsistent with this rate schedule.

Extended Billing Periods

Service connections or disconnections for all rates where only Service Availability and kWh are billed, performed within ten (10) days of the regular meter reading date for the consumer's billing cycle, shall establish extensions of the current billing period. However, when service is made available to the consumer for a period of more than ten (10) days before or after the regular meter reading date, a separate billing period shall be established with respect to all applicable charges. If the consumer changes service location under the same rate schedule, any energy use during an extended final billing period at the former address shall be added to energy use during the first billing period at the new address. For rates which provide for a demand charge, the established extensions of a billing period shall be fifteen (15) days.

Sulphur Springs Valley Electric Cooperative, Inc.
P. O. Box 820
Willcox, Arizona 85644

SCHEDULE R-DA

Applicability: For members selected to participate in a competitive environment beginning on January 1, 1999.

Effective: January 1, 1999

Residential - Direct Access

Availability

Available to residential consumers requiring 50 kVA or less of single phase service for all home use throughout the Cooperative service area where the facilities of the Cooperative are of adequate capacity and are adjacent to premises subject to the rules and regulations of the seller. This schedule is available to customers who may opt to purchase power resources from entities other than SSVEC.

Applicability

To all single phase residential electric service in individual private dwellings and individually metered apartments when all service is supplied at one point of delivery and energy is metered through one meter.

Not applicable for resale, breakdown, or standby of auxiliary service.

Character of Service

Single phase 60 cycles, nominal 120/240 volts, 120/208 volts, 3 wire, and limited to individual motors of 10 HP or less that will not cause excessive voltage fluctuations, supplied through one set of service wires and metered through one meter.

Maximum Residential Rate - (Code R-DA)

Basic System Charge	\$ 16.88	per month
Metering	1.86	per month
Meter Reading	0.82	per month
Billing	2.61	per month
Customer Information and Services*	0	per month
Distribution Capacity	0.0186	per kWh
Transmission Capacity	0.0003	per kWh
System Benefits Charge*	0.00	per kWh

*The Customer Information and Services Charge will be filed once the requirements are defined by the ACC. The System Benefits Charge is currently included in the Basic System Charge, as previously approved by the ACC, and will be separated in the next full rate filing.

For consumers requiring over 15 kVA of transformer capacity, a minimum charge of \$1.50 per kVA or fraction required will be assessed.

Tax and Assessment Clause

Billing under this schedule will be increased by an amount equal to the sum of all Federal, State, County, Municipal and other governmental levies, gross receipts, license fees and other impositions of similar character assessed on the basis of gross revenue of the Cooperative and/or the revenue from the electricity or services sold and/or the kilowatt hours of electricity generated or purchased for sale and/or sold hereunder. In case an increase in rates of existing taxes of this character or additional new taxes, licenses or fees based upon generation, distribution, purchase and/or sale of electric power current or energy, shall be imposed upon or required to be paid by the Cooperative, the rates herein may be increased by a surcharge equal to the amount of the cost per kWh, or per consumer, or per demand, capacity, or other applicable unit of charge for such new or additional taxes, licenses or fees.

Meter Readings

All meter readings and billings shall be based on actual meter readings. Meter readings and billings will be made as closely as practical on the same day of each month on a cycle basis. Meter readings shall be scheduled for periods of not less than 25 days nor more than 35 days.

Terms of Payment

Billing made under this rate schedule will be due and payable upon receipt and past due ten (10) days from the date the bill is mailed. Service will be subject to disconnect in accordance with the Cooperative's collection policy.

Rules and Regulations

Service charges, collection policy, standard rules and regulations of the Cooperative, as filed and approved from time to time, shall apply where not inconsistent with this rate schedule. Service availability charge and/or monthly minimum may be increased to prove economic feasibility for any service requiring new line construction in excess of Cooperative's established free distance.

Extended Billing Periods

Service connections or disconnections for all rates where only Service Availability and kWh are billed, performed within ten (10) days of the regular meter reading date for the consumer's billing cycle, shall establish extensions of the current billing period. However, when service is

made available to the consumer for a period of more than ten (10) days before or after the regular meter reading date, a separate billing period shall be established with respect to all applicable charges. If the consumer changes service location under the same rate schedule, any energy use during an extended final billing period at the former address shall be added to energy use during the first billing period at the new address. For rates which provide for a demand charge, the established extensions of a billing period shall be fifteen (15) days.

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SCHEDULE SP-DA

Applicability: For members selected to participate in a competitive environment beginning on January 1, 1999.

Effective: January 1, 1999.

Seasonal Power Service - Direct Access

Availability

The Seasonal Power Service Rate is available to consumers located along existing electric distribution lines of the Cooperative, who use the Cooperative's standard service for single or three phase service and who guarantee a monthly billing capacity as specified by the service application or contract but not less than 50 kVA. Service under this schedule will be furnished on a seasonal basis in accordance with the following stipulations and in accordance with the Cooperative's general rules, terms and conditions, available at the Cooperative's offices, which general rules or subsequent revisions thereof are a part of the schedule as if fully written herein. This schedule is available to consumers who opt to purchase power resources from entities other than SSVEC.

Applicability

This schedule is applicable for all of the consumers electric service requirements requiring 50 kVA or more of transformer capacity on a seasonal or temporary basis, both single and three phase, whenever three phase service is supplied by the Cooperative.

For temporary, seasonal, or unusual service or extension, reference is made to the Cooperative's general rules, terms and conditions covering same and in such cases the minimum charge condition, furnishing of service transformers and associated equipment, connection and disconnection of service, financing of service facilities required, etc., will be covered by special agreement with the consumer, and the consumer shall pay for all expenses involved in connection with the furnishing of any temporary service.

Character of Service

The type of secondary service available under this schedule will, at the Cooperative's option, be normally as follows:

120/240 Volts, Single Phase, 3 Wire
240/480 Volts, Single Phase, 3 Wire
120/240 Volts, Three Phase, 4 Wire, *
240/480 Volts, Three Phase, 4 Wire, *

120/208 Volts, Three Phase, 4 Wire, Y
277/480 Volts, Three Phase, 4 Wire, Y

- * Not available to consumers served from underground primary systems, except where open Delta transformer connection is used at the option of the Cooperative.

All service is to be supplied through a single set of service wires. Any special transformers required for lighting shall be furnished by the consumer. The primary voltage required for service will be determined by the Cooperative taking into consideration consumer's capacity requirements.

Net Rate Per Month Per Service

Basic System Charge	\$ 324.34	per month
Metering	28.49	per month
Meter Reading	2.47	per month
Billing	31.30	per month
Customer Information and Services*	0	per month
Distribution Capacity	3.66	per kW
Transmission Capacity	.07	per kW
System Benefits Charge*	0.00	per kWh

*The Customer Information and Services Charge will be filed once the requirements are defined by the ACC. The System Benefits Charge is currently included in the Basic System Charge, as previously approved by the ACC, and will be separated in the next full rate filing.

Determination of kVA Billing Capacity

The monthly kVA billing capacity shall be normally determined by measurement by taking the highest 15 minute integrated or equivalent thermal kW capacity and dividing same by the power factor as determined by a ratcheted kVArh meter or by the power factor as may be determined by the Cooperative by means of periodic tests made by suitable metering equipment. The monthly kVA billing capacity may also be determined by means of suitable kVA or equivalent capacity demand meters. All capacities shall be determined to the nearest kVA.

The monthly billing capacity shall be on the kVA capacity as determined above, but in no event shall the billing capacity be less than 50 kVA, nor less than 100% of the highest kVA capacity established during the previous eleven months, nor less than 80% of the installed substation capacity used to supply consumer's requirements, nor shall it be less than the minimum kVA billing capacity specified in consumer's service application or contract with the Cooperative.

Where highly fluctuating or intermittent loads (such as welding machines, electric furnaces, hoists, elevators, X-rays and the like) are in operation by the consumer, the Cooperative reserves the right to determine the billing demand by averaging consumer's total load over a two minute period or by increasing the fifteen minute measured maximum capacity by an amount equal to 50% of the rated kVA capacity determined from the name plate of the fluctuating equipment in operation by the consumer. Where such fluctuating loads require

Sulphur Springs Valley Electric Cooperative, Inc.
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Schedule SC-DA

Applicability: For members selected to participate in a competitive environment beginning on January 1, 1999.

Effective: January 1, 1999

Schedule of Service Charges

This schedule sets the amount of various service charges and other miscellaneous charges which have been authorized in the Cooperative's Rules and Regulations.

1. CHARGES FOR ELECTRIC SERVICE CONNECTIONS

- a. **NEW SERVICE.** A consumer is eligible for one electric service connection with no additional charge when the initial membership fee is paid. A former consumer reapplying for membership shall pay a service charge of \$25.00, plus applicable sales tax, plus a membership fee if the original membership fee has been refunded.
- b. **ADDITIONAL SERVICE.** A nonrefundable service charge of \$25.00, plus applicable sales tax, shall be imposed for each electric service connection, or for a location change to a new service address.
- c. **SERVICE CONNECTION CALLBACKS.** A nonrefundable service charge of \$25.00, plus applicable sales tax, shall be imposed for a return trip to connect electric service if, at the consumer's request, it was previously made available at the point of delivery, if an inaccurate service address provided by the consumer results in a service connection callback, or if the consumer postpones or cancels any service order already completed by the Cooperative.

2. SERVICE CALLS DURING REGULAR BUSINESS HOURS. A service charge of \$25.00, plus applicable sales tax, plus mileage at 40 cents per mile will be imposed for a service call performed during regular business hours for one of the following reasons:

- a. Interruptions caused by the consumer's negligence or failure of consumer-owned equipment, even though the Cooperative is unable to perform any work beyond the point of delivery. Reasonable efforts will be made to advise the consumer about the possibility of such charges before the service call starts.

- b. Reconnection of electric service to any consumer previously disconnected for nonpayment, unlawful use of service, misrepresentation to the Cooperative, unsafe conditions, threats to Cooperative personnel or property, failure to permit safe access, detrimental effects of consumer loads on the Cooperative's system, or failure to establish credit and/or sign an agreement for service.
- 3. METER TEST. A service charge of \$25.00, plus applicable sales tax, shall be imposed for meter testing performed at the written request of the consumer. However, if the Cooperative's test shows that the meter is inaccurate by more than 3%, the service charge will be waived or refunded to the consumer and energy charges will be adjusted accordingly for the three (3) immediately previous billing periods only. No service charges will be imposed for any meter test if the consumer's request is made within six (6) months of the next regularly scheduled test date, Section 3.21 Meter Testing Request by the consumer also.
- 4. SERVICE CALLS AFTER REGULAR BUSINESS HOURS. A service charge of \$45.00, plus applicable sales tax, plus mileage at 40 cents per mile will be imposed for a service call after regular business hours for one of the following reasons:
 - a. Interruptions caused by the consumer's negligence or failure of consumer-owned equipment, even though the Cooperative is unable to perform any work beyond the point of delivery. The consumer shall be advised about the possibility of such charges before the service call starts.
 - b. Reconnection of electric service to any consumer previously disconnected for nonpayment, unlawful use of service, misrepresentation to the Cooperative, unsafe conditions, threats to Cooperative personnel or property, failure to permit safe access, detrimental effects of consumer loads on the Cooperative's system, or failure to establish credit and/or sign an agreement for service. Such work will be performed only when requested and agreed to by the consumer.
 - c. Connection of electric service at the special request of the consumer on short notice of less than one regular work day.
- 5. WORTHLESS (NSF) CHECKS. A service charge of \$15.00 per NSF check plus a late payment charge (if applicable) of 1.5 percent per month on the unpaid, delinquent balance plus any applicable sales tax, shall be imposed for each collection action taken by the Cooperative other than court proceedings.
- 6. FIELD COLLECTION CALL. In the case of a delinquent account only, the consumer may pay the total amount due to the terminating employee, including a charge of \$25.00, plus applicable sales tax, for the field collection call. If the consumer does not pay the total amount due, service shall be disconnected.
- 7. METER REREADS. A service charge of \$20.00 shall be charged for rereads, provided that the original reading was not in error.

8. LATE PAYMENT CHARGE. A late payment charge of 1.5 percent per month shall be charged on all outstanding balances of \$10.00 or more which remain unpaid twenty-five days (25) after billing date. These accounts will be considered delinquent and will be subject to the Cooperative's termination procedures. Amounts owed on approved deferred payment programs or levelized billing programs are exempt.
9. TEMPORARY TEST PROVISION. Large power, water pumping, irrigation, and general service customers with satisfactory credit records may request temporary connection of a service for the purpose of testing a pump or other equipment. A one-time \$60.00 fee will be assessed along with all metered energy (kWh). Demand charges will be waived and no annual minimum nor contract will be required. Maximum connection time for the service will be seven (7) calendar days.
10. CUSTOMER INFORMATION CHARGE. Upon written request of any SSVEC consumer, SSVEC will provide a one-year billing history of the consumer's capacity (as available) and energy purchases. The charge for this service shall be \$25.00 per account.

Billing under this schedule will be increased by an amount equal to the sum of all Federal, State, County, Municipal and other governmental levies.